

January 18, 2007

Madam Chair and members of the committee, for the record my name is Gerry Veis and I am the Vice President of the Havre Day Activity Center Board of Directors. Havre Day Activity Center is located in Havre Montana and is the largest provider of Developmental Disabilities service on Montana's high line. I have served on the Board of Directors of this fine organization for over 15 years.

I am here today to testify as to the crisis situation facing our corporation as it pertains to hiring and retaining our direct care professional staff. Havre and the surrounding area is currently experiencing a large amount of exploration and drilling for natural gas and oil. Jobs in this industry pay significantly more than we are able to pay our employees. To add to our problems Wal Mart will be opening a new store in Havre this month and has hired over 200 new employees. According to the Havre Job Service the unemployment rate for Havre is 3.2%, which mean that recruiting for new staff is extremely difficult with a very limited job pool. Havre Day Activity Center is one of the top 10 employers in the community of Havre. Currently we are able to pay a new direct care staff person \$7.58 per hour. If this employee can successfully complete a six-month probationary period their pay can potentially increase to \$9.00 per hour. With the limited job pool, and extensive competition, it is critical for us to increase the hourly wages for our staff.

Over the past two years the Developmental Disabilities Program has completely changed the way it is paying providers for services provided to our consumers. This new system is a published rate that is based on the hour of direct care staff attending our consumers. If we are unable to fill shifts we are forced to pay overtime (which by the way is not reimbursed by the state) or failing to find someone to fill in if we are short staffed, we are unable to bill for those lost hours at all. As you can see we are now facing a limited job pool, difficulty in recruiting and retaining direct care staff because of low wages, and with the new rate system, unable to bill for services if we are short staffed. You could say we are between the proverbial "rock and a hard place".

During the past year the Developmental Disabilities Program has taken an in depth look at the cost of providing community services for people with developmental disabilities. As a result of this work, recommendations were made to the Governors budget office by the Department of Public Health and Humans services for an increase of approximately \$30 million dollars for the next biennium. We appreciate the Governor's budget request for an \$18 million funding increase over the next biennium (70% of which is federal funds), but we respectfully urge the committee to fund community developmental disability programs at the \$30 million biennium increase originally requested by DPHHS. This \$30 million budget increase was one of DPHHS's highest new funding priorities.

Thank you for giving me this opportunity to provide testimony concerning this critical issue.

Gerry Veis

Vice President of Havre Day Activity Centers Board of Directors